

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7787

BILL NUMBER: SB 423

NOTE PREPARED: Jan 11, 2005

BILL AMENDED:

SUBJECT: Forfeiture of Public Pensions for Misconduct.

FIRST AUTHOR: Sen. Clark

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides for the forfeiture of all or a part of a pension benefit from the State Excise Police and Conservation Enforcement Officers' Retirement Fund, the Public Employees' Retirement Fund, the Teachers' Retirement Fund, the State Police Benefit System, the Judges' Retirement System, the Prosecuting Attorneys Retirement Fund, the 1925 Police Pension Fund, the 1937 Firefighters' Pension Fund, the 1953 Police Pension Fund, the 1977 Police Officers' and Firefighters' Pension and Disability Fund, and the Sheriff's Department's Pension Trust Fund for misconduct by a public officer or employee. It provides that: (1) meetings to receive information about or to discuss, before a determination, the forfeiture of a pension benefit may be held in an executive session; and (2) the records concerning the forfeiture are exempt from disclosure at the discretion of the pension administrator, except for the final determination, which is available for inspection and copying.

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Benefit Forfeiture:* The specific impact on any fund listed will depend upon several factors such as age of the member, marital status, salary, years of creditable service, years to a full retirement benefit, and the actuarial reduction as determined by the actuary for the respective fund. The actuarial reduction is the reduction in the normal retirement benefit that offsets a cost increase to the plan when a participant retires ahead of schedule.

The funds affected are: (1) the state General Fund; (2) the Motor Vehicle Highway Account and the Motor Carrier Regulation Fund; (3) the Fish and Wildlife Fund; (4) the Administrative Fund; and (5) various local funds used to support the various police and fire funds, along with the Sheriff's Pension Trust Funds as established by various counties.

Administrative Costs: There may be additional administrative expenditures, unknown at this time related to meetings and copying of documents. Additional expenditures are expected to be minimal.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: the Legislators' Retirement System, the Governor's Retirement Fund, the State Excise Police and Conservation Enforcement Officers' Retirement Fund, the Public Employees' Retirement Fund, the Teachers' Retirement Fund, the State Police Benefit System, the Judges' Retirement System, and the Prosecuting Attorneys' Retirement Fund.

Local Agencies Affected: the 1925 Police Pension Fund, the 1937 Firefighters' Pension Fund, the 1953 Police Pension Fund, the 1977 Police Officers' and Firefighters' Pension and Disability Fund, and Sheriff's Pension Trust Funds as established by various counties.

Information Sources:

Fiscal Analyst: James Sperlik, 317-232-9866.